

# New Office Building -- No. 077601

Category  
Agency  
Planning Area  
Relocation Impact

Housing Opportunities Commission  
Housing Opportunities Commission  
Rockville  
None.

Date Last Modified  
Required Adequate Public Facility

December 30, 2005  
NO

## EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY05	Est. FY06	Total 6 Years	FY07	FY08	FY09	FY10	FY11	FY12	Beyond 6 Years
Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

## FUNDING SCHEDULE (\$000)

G.O. Bonds	0	0	0	0	0	0	0	0	0	0	0
HOC Bonds	0	0	0	0	0	0	0	0	0	0	0

## ANNUAL OPERATING BUDGET IMPACT (\$000)

### DESCRIPTION

HOC retained Vitetta to prepare a Program of Requirements (POR) for HOC's headquarters planning. Their preliminary summary of staff and leasable space requirements results in a total of 69,000 square feet needed by the year 2011. HOC has been reviewing office space options throughout the County with McShea & Company, a real estate brokerage firm. Currently given the locations of HOC's customers and their need for access to the agency via public transportation, the search is being focused on new construction in the Wheaton area.

At today's rates, a new construction development would cost approximately \$24,365,000. Some of these funds would be used for transitioning from the current situation, with the headquarters building and leased space in two other buildings. HOC can borrow a significant portion of this amount, roughly 29%, and is asking the County for the remainder of \$17,365,000.

A Wheaton site would be well suited to the agency for several reasons. Easy access to the Metro and the many bus routes that pass through Wheaton would be an obvious benefit. While there is no site that would be truly centrally located and still be at a Metro station, Wheaton is relatively central for both up County and down County residents. As a commercial area, Wheaton provides ample parking opportunities for the roughly 100 visitors per day that come to HOC's headquarters. The facility would also contribute to the on-going revitalization of Wheaton. While there has been a substantial increase in the amount of downtown housing in the area, jobs have not followed suit. Wheaton does not have an office employment base that would benefit from the community, and vice versa, during the day. HOC's presence would make an economic impact on the neighborhood.

### JUSTIFICATION

HOC's headquarters are currently located at 10400 Detrick Avenue in Kensington. The County has made this 1950's era former school building available to HOC since 1983 via below market rate lease. As HOC has grown and its programs have expanded and diversified, this facility has become increasingly inadequate. It provides insufficient space for the agency's operations, is poorly suited for the nature of our activities and the needs of our clients, and fails to meet the expectations of our neighbors in the Town of Kensington.

The facility does not provide enough office space or enough parking. The building comprises approximately 40,000 square feet of office space. HOC's needs have exceeded that amount since 1997. Since that time the Agency has leased space in nearby commercial office buildings. Currently we are leasing 14,000 square feet at prices ranging between \$17 and \$24 per square foot annually. A comprehensive facilities needs assessment completed in October 2001 indicates that based on County space standards HOC currently requires 60,000 square feet and that requirement will grow to 69,000 square feet by 2011. Our current headquarters building provides 112 parking spaces. The building houses 175 staff and on average about 100 visitors per day.

The facility is in some respects inherently poorly suited to HOC's business activities and HOC's role as a client service provider.

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### APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY07	(\$000)
Initial Cost Estimate		0
First Cost Estimate		
Current Scope	FY07	0
Last FY's Cost Estimate		0
Present Cost Estimate		0
Appropriation Request	FY07	0
Appropriation Request Est.	FY08	0
Supplemental Appropriation Request	FY06	0
Transfer		0
Cumulative Appropriation		0
Expenditures/ Encumbrances		0
Unencumbered Balance		0
Partial Closeout Thru	FY04	0
New Partial Closeout	FY05	0
Total Partial Closeout		0

### COORDINATION

Housing Opportunities Commission  
McShea Brokerage Real Estate Services

### MAP

impaired to three levels of the building, which can only be reached by stairs. This is unacceptable from employment and public service perspectives. The arrangement, construction, and age of the building have made it very expensive to maintain and operate. HOC has carried out extensive upgrades over our approximately twenty-year occupancy in an effort to solve telecommunications, access, energy efficiency, and security issues. These upgrades have provided only partial solutions. The nature of HOC's requirements simply do not mesh well with a facility whose design, systems, and construction were originally intended for elementary school purposes and date back to the 1950s.

The intensity of HOC's client service and administrative office use of the building is not well suited to the residential neighborhood in which it is located. This has resulted in a long history of issues between HOC and the Kensington community concerning traffic, parking, and shared use of the site by HOC and recreational users. In general, HOC and the community have succeeded in negotiating, ameliorating, or adjusting to these issues, but as HOC's activities continue to grow, the tension over the presence of the commercial building in the residential neighborhood has escalated. HOC's very successful, recent Housing Choice Voucher Lease Up program has added approximately 1,200 clients to the program, greatly exacerbating traffic and parking problems.

#### **Plans and Studies**

Vitetta has completed a Program of Requirements for HOC's headquarters planning. Based on this study, leasable space requirements will be 69,000 square feet by the year 2011. HOC is pursuing building options that would provide this space. A hard copy of the Vitetta study is included with this CIP submission.

#### **STATUS**

Planning Stage

#### **OTHER**

HOC's search for space has focused on Wheaton because of its central location. While no site in the County is both central and at a Metro station, Wheaton is near some of HOC's customer bases, particularly those in Aspen Hill and Silver Spring. The availability of the numerous bus lines found in the area makes public transportation, a necessary feature for many of HOC's clients, more accessible. While other locations, including Rockville and Silver Spring are possible sites for HOC, the Agency believes that Wheaton is a good choice. Because no specific site has yet been identified, the figures presented here are estimates.

HOC would fund its portion of the project through the use of bonds.